

(\$ in thousands)

| Project Title | Rank | Fund | Project Requests for State Funds | | | Gov's Rec 2026 | Gov's Planning Estimates | |
|--|------|------|----------------------------------|---------|---------|-------------------|--------------------------|--------|
| | | | 2026 | 2028 | 2030 | | 2028 | 2030 |
| Higher Education Asset Preservation and Replacement (HEAPR) | 1 | GO | 200,000 | 200,000 | 200,000 | 74,800 | 74,800 | 74,800 |
| Saint Paul College - Student Services and Classroom Renovation | 2 | GO | 35,300 | 0 | 0 | 0 | 0 | 0 |
| Minnesota State University, Mankato - Armstrong Hall Replacement | 3 | GO | 96,900 | 0 | 0 | 0 | 0 | 0 |
| Winona State University - Center for Interdisciplinary Collaboration, Engagement, and Learning | 4 | GO | 78,900 | 0 | 0 | 0 | 0 | 0 |
| Rochester Community and Technical College - Heintz Center Renovation | 5 | GO | 14,400 | 0 | 0 | 0 | 0 | 0 |
| Systemwide - Demolition | 6 | GF | 25,000 | 0 | 0 | 0 | 0 | 0 |
| Systemwide - Learning Environment Renovations and Equipment | 7 | GO | 13,500 | 0 | 0 | 0 | 0 | 0 |
| Total Project Requests | | | 464,000 | 200,000 | 200,000 | 74,800 | 74,800 | 74,800 |
| General Obligation Bonds (GO) Total | | | 439,000 | 200,000 | 200,000 | 74,800 | 74,800 | 74,800 |
| General Fund Cash (GF) Total | | | 25,000 | 0 | 0 | 0 | 0 | 0 |

AT A GLANCE

- Over 270,000 students served each year
- 26 separately accredited two-year colleges and 7 four-year universities located on 54 campuses
- Over 4,000 academic programs offering technical, pre-baccalaureate, baccalaureate, graduate, and applied doctoral degrees
- Over 7,000 employer partnerships across Minnesota
- Over 9,950 customized and specialized training, occupational, and professional classes
- Over 36,000 degrees, diplomas, and certificates awarded each year

PURPOSE

Minnesota State plays a critical role in ensuring the economic prosperity of Minnesota, its communities, and its citizens by offering high quality, affordable higher education opportunities that are aligned with employer needs throughout the state. Almost two-thirds of Minnesotans enrolled in undergraduate programs are attending Minnesota State colleges and universities to create a better future for themselves, for their families, and for their communities.

Consistent with our strategic framework, we strive to:

- Ensure access to an extraordinary education
- Be the partner of choice to meet Minnesota's workforce and community needs
- Deliver the highest value and most affordable higher education option

STRATEGIES

Minnesota's social and economic vibrancy continues to grow and develop in the wake of significant COVID-19 disruptions. With over sixty percent of Minnesota resident students who are pursuing an undergraduate credential and thousands more students who are pursuing skills and knowledge outside of a specific degree or credential, Minnesota State actively implements strategies to provide the talent that Minnesota needs. Recent workforce shortages come while demographic trends have reduced higher education enrollment. These factors make it even more important that students who start an educational program can finish it, even if their families have no past experience with higher education or have significant financial challenges. As we assess the changes our students and our economy are facing, Minnesota State is committed to strategies that focus on key areas that will provide the skilled graduates our economy will rely on to achieve robust post-pandemic growth. Specifically, our colleges and universities are facing changes in:

1. How our students learn and receive services—increasingly through remote and hybrid delivery methods
2. Who our students are—incoming students from historically key demographic groups, such as high school graduates, are going down; students are increasingly diverse in age and backgrounds; significant numbers of students are economically fragile and have difficulty starting higher education and continuing as their home- and work-lives change
3. What our campuses need to do physically and programmatically to face new financial realities

To respond to these changes, the collective work of Minnesota State is aligned in four areas:

- *Alignment with the changing needs of learners.* Ensure the success of our students, particularly those who learn differently from students in previous generations by:
 - Examining the interface of technology and its use by our students

- Implementing changes in our classroom and modes of delivery to reflect the way today's students access, process, aggregate, and connect information
- Preparing for the next wave of change that will impact our work
- *Alignment with the new demographics of an increasingly diverse student body.* Increase our efforts around responding to demographic shifts and welcoming an increasing number of students from populations traditionally underserved by higher education by:
 - Engaging and partnering with traditionally underrepresented communities
 - Expanding the landscape of learning beyond the classroom
 - Learning with and from diverse communities
 - Providing the student support services required to ensure student success
- *Alignment with current and emergent talent needs of employers.* Operationalize our Strategic Framework priority to ensure that Minnesota's businesses and industries have the talented workforce they need by:
 - Partnering with employers on curriculum advisory councils, student scholarships, and internship opportunities
 - Reorganizing our incumbent worker training offerings to ensure employers can access what they need easily and efficiently, no matter where in the state the expertise they need is offered
- *Alignment with challenging budget realities on our campuses.* Ensure the programmatic and financial sustainability of our campuses by:
 - Reprioritizing and reallocating our resources
 - Alleviating budget pressures through technology and better alignment and more efficient delivery of our curriculum

Guiding all these areas of work, Minnesota State's Equity 2030 goal is to eliminate equity gaps at every Minnesota State college and university. This means meeting the learning needs of all students, including historically underrepresented groups, so all types of students can continue and complete their educational goals. Students will progress towards their goals faster and a higher-than-ever percentage of them will enter the workforce and contribute to the state's economic needs.

Minnesota Statutes Chapter 136F (<https://www.revisor.mn.gov/statutes/?id=136F>) provides the legal authority for Minnesota State.

AT A GLANCE

- Minnesota State's \$464 million total bonding request emphasizes asset preservation on its campuses
- Minnesota State's number one capital priority is \$200 million for Higher Education Asset Preservation and Replacement (HEAPR) to take care of the assets already on our campuses
- The \$264 million list of priority capital projects focuses on renovating and repurposing existing space to meet college and university academic needs
- The four (4) line-item capital requests seek funds to complete projects that funded for design in 2023.
- The \$25 million for demolition seeks to eliminate more than 500,000 square feet of obsolete space across the system.
- The \$13.5 million for Learning Environments and Equipment seeks to renovate existing spaces to better serve the students enrolled in high-cost, high need programs meeting the workforce needs of Minnesota companies.

Factors Impacting Facilities or Capital Programs

In May 2025, the Board of Trustees established guiding principles that aligned with the system's Strategic Framework and were used in the preparation of Minnesota State's 2026 capital budget request. The capital budget principles were:

1. **Preserve and maintain existing highly utilized academic and student support spaces.** Reinforce the importance of meeting students' academic needs by preserving and maintaining existing space that directly contributes to student and faculty recruitments, retention, and success. Prioritize renovations that create flexible spaces which support changing teaching and learning strategies. Prioritize projects that address a variety of demographic needs.
2. **Facilitate fulfilling the vision of Equity 2030.** Prioritize facility improvements that directly support student success at Minnesota State colleges and universities by supporting inclusive educational opportunities, growing programs, and improving campus climate and culture. Prioritize projects that support closing equity and opportunity gaps to address workforce and employment challenges in Minnesota. Prioritize contracting and procurement strategies and practices that encourage diversity in suppliers of project design, consultation, and construction services as well as their workforces.
3. **Improve energy and operating efficiencies to reduce operating expenses.** Prioritize reducing campus operational costs by updating infrastructure, building envelopes, and spaces that reduce energy and resource use. Promote sustainable and efficient construction, utilization, and operating practices. Actively pursue and create renewable energy infrastructure and encourage institutions to address environmental, climatic, and other risks in their institutional plans and projects.
4. **Create technology-enabled flexible curriculum delivery.** Prioritize projects that will meet multiple academic programmatic needs with technology while minimizing extensive renovations.
5. **Respond to workforce demand from community and industry partners.** Align academic needs with community and industry partners' needs for education and training. Prioritize projects that support closing equity and opportunity gaps to address workforce and employment challenges in Minnesota.
6. **Enhance accessibility, environmental, health and safety compliance.** Prioritize projects that bring existing facilities into compliance with state codes as well as Minnesota State standards and guidelines.

Self-Assessment of Agency Facilities and Assets

Higher Education Asset Preservation and Replacement (HEAPR) is the number one request in the system's 2026 capital budget, and supports the Board's ongoing priority of taking care of what we have. After salaries, facilities

represent one of the largest financial obligations of the system. At approximately 22.5 million square feet, the system has a facilities backlog total of \$1.77 billion (an average of \$78 per square foot¹) and forecasts an additional \$1.49 billion of upcoming renewal needs within the next 10 years. Approximately 70% of the system's academic buildings were built before 1980 and the majority are at least 40 years old.

The system undertook a baseline engineering assessment of deferred maintenance needs in 1998. The facilities condition assessment baseline data has been augmented by: (1) further engineering studies of mechanical and electrical systems at all seven state universities in 2000, at 17 two-year campuses in 2002, and 10 two-year campuses in 2004; (2) biennial engineering inspections of all 320 acres of roofs; and (3) biannual inspection and review of life cycle backlog and renewal needs by campus facilities staff. The system is designing a new Facility Condition Assessment program to align with the State of Minnesota program. This updated information will establish a new baseline condition measure for the system.

HEAPR has been the system's top capital budget priority since 1998. Of the 2026 HEAPR request, about 35% represents roof and exterior work and about 38% represents HVAC system upgrades. The remainder of the needs are a combination of plumbing, electrical, safety, health and code compliance that continue to degrade at a predictable rate. Over the past ten years, the HEAPR appropriation has been inconsistent and insufficient given the overall backlog of deferred renewal.

Given the extent of HEAPR needs across the system, the colleges and universities are exploring alternative funding mechanisms to address the backlog. Guaranteed Energy Savings Programs (GESp) completed at a few institutions have helped to slow some infrastructure decline, but the program is no longer supported by the Department of Commerce.

Minnesota State is exploring alternative financing models to facilitate energy-related projects without requiring legislative appropriations or operating funds. Three campuses are currently piloting the use of an energy savings performance contract to reduce campus energy usage, in which capital project costs are financed (so that low to no up-front funding is required) and then repaid over a period of up to 25 years using future energy savings. Minnesota State is also evaluating the feasibility of an internal central loan fund to finance short-payback energy projects (such as LED lighting retrofits) and to provide "bridge financing" for projects relying on future tax credits but lacking necessary up-front funds.

From the \$60 million of HEAPR received in the 2025 capital bonding bill, the system initiated 16 projects throughout the state. Minnesota State expects 2025 funds to be fully spent and nearly all projects completed by mid-year 2027.

Agency Process for Determining Capital Requests

After the Board established current capital budget principles, the system solicited projects from its colleges and universities, drawing upon their most current comprehensive facilities plans and projects carried over from a prior bonding bill. In an average biennium, the system reviews \$350-\$500 million worth of individual capital requests and more than \$300 million of HEAPR requests from its colleges and universities. The system office invites campus facilities and finance officers, academic administrators, information technology staff, and system office staff to score all the projects submitted for consideration. The scoring process uses criteria developed from the capital budget guidelines. Each project is scored by two different teams, and team members do not review proposals from their own campus. This process yields scoring results and comments and concludes with a preliminary

¹ Source: VFA.Facility, as of June 30, 2023 – All general fund square footage.

ranking of projects based on the strength of each project as measured against their collective scores. Some of the major criteria considered are:

- Connections between capital requests and campus academic, facilities, and instructional technology plans
- Evidence of efficient space use of existing facilities and how the capital request will improve such use
- Evidence of a commitment to increasing energy efficiency and sustainable practices on the campus
- Condition of the existing building(s), capacity of current utility infrastructure, and expected reduction of deferred maintenance backlog to be accomplished with the request
- Total cost of ownership regarding debt service and future operating costs.

System leadership uses the scoring results to develop a final list of recommended projects, and evaluated project documents, scoring information and other critical analysis from staff on past funding history, deferred maintenance conditions, space utilization, and overall campus planning and financial status.

Following the outcome of the 2025 session, the chancellor recommended to the Board that we continue to seek funding for the four remaining capital projects that received design funding from the legislature in 2023. 2026 capital request recommendations were proposed to the Board of Trustees in May/June 2025. The Board accepted the chancellor's recommendations and adopted a 2026 capital budget request during its June 2025 meeting.

Major Capital Projects Authorized in 2024 and 2025

- **2024 Capital Budget Appropriation: None**
- **2025 Capital Budget Appropriation - (in millions)**
 - Higher Education Asset Preservation and Replacement, \$60
 - Alexandria Technical and Community College, Transportation Center, \$24

Higher Education Asset Preservation and Replacement (HEAPR)

AT A GLANCE**2026 Request Amount:** \$200,000**Priority Ranking:** 1

Project Summary: Minnesota State Colleges and Universities seeks \$200 million in Higher Education Asset Preservation and Replacement (HEAPR) funding to renew existing facilities at its 54 campus locations. Funds are spent in accordance with Minnesota Statutes, section 135A.046 Asset Preservation and Replacement.

Project Description

Higher Education Asset Preservation and Replacement is a special category of State GO bond funding created by the Minnesota legislature. Funds are intended to preserve and renew existing campus facilities by supporting five categories of projects: Accessibility, Health and Safety (e.g. hazardous material abatement, building code compliance), Building Systems (e.g. exterior envelope, mechanical, and electrical systems), Energy Efficiency, and Infrastructure. HEAPR funds are used throughout the Minnesota State College and University system. Minnesota State regularly reports on the status of its HEAPR funding to Minnesota Management and Budget and the Legislature.

Project Rationale

HEAPR funds are essential to sustaining the mission and daily operations of Minnesota State's 33 colleges and universities. These funds directly support the health, safety, and functionality of campus environments—ensuring that students, faculty, staff, and visitors can learn, work, and thrive in facilities that are safe, accessible, and operationally sound.

Without continued and sustained reinvestment in our existing infrastructure, Minnesota State's ability to deliver high-quality, affordable education across the state will be compromised. Many of our buildings are decades old and face mounting maintenance needs. HEAPR is the only capital funding source dedicated to addressing these critical issues systemwide.

HEAPR investments are a fiscally responsible way to maximize the value of the State's past capital investments. By extending the useful life of existing buildings, HEAPR avoids the significantly higher costs of new construction. Renewing and preserving facilities is also more sustainable—reducing waste, conserving energy, and minimizing the carbon footprint of campus operations.

Each Minnesota State institution submits its highest-priority facility renewal needs for HEAPR consideration. Projects are prioritized using a data-driven approach that includes:

- Facility Condition Assessment (FCA) data, a comprehensive systemwide evaluation of building and infrastructure health
- Life-safety and code compliance needs
- Accessibility improvements
- Energy efficiency and sustainability upgrades
- Risk mitigation and operational continuity

This rigorous prioritization ensures that HEAPR funds are directed to the most urgent and impactful projects—those that protect life and property, reduce long-term costs, and preserve the learning environments that serve over 300,000 students annually.

In short, HEAPR is not just a maintenance program—it is a strategic reinvestment in Minnesota’s public higher education infrastructure. It protects the state’s assets, supports student success, and ensures that our campuses remain safe, functional, and competitive for generations to come.

Project Timeline

NA - project timelines vary by individual project.

Other Considerations

In 2024 Minnesota State has a 10-year Facility Condition Need of approximately \$1.7 billion. This amount increases by approximately \$150 million each year.

Impact on Agency Operating Budgets

No anticipated impact on operating budget.

In some cases HEAPR may result in reductions in on-going maintenance costs on particularly problematic building systems and building envelopes.

Description of Previous Appropriations

HEAPR is Minnesota States first priority in each bonding request.

In 2020 Minnesota State received \$46.347 million. It did not receive any funding in 2021 or 2022.

In 2023 Minnesota State received \$44.733 million. It did not receive any funding in 2024.

in 2025 Minnesota State received \$60.0 million, the largest amount it has received since 2002, when it also received \$60.0 million.

Project Contact Person

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Governor's Recommendation

The Governor recommends \$74.800 million in general obligation bonds for this request. Also included

are budget estimates of \$74.800 million for each planning period for 2028 and 2030.

(\$ in thousands)

Higher Education Asset Preservation and Replacement (HEAPR)

PROJECT FUNDING SOURCES

| Funding Source | Six Prior Years | FY 2026 | FY 2028 | FY 2030 |
|---|-------------------|-------------------|-------------------|-------------------|
| State Funds Appropriated and Requested | | | | |
| General Obligation Bonds | \$ 151,080 | \$ 200,000 | \$ 200,000 | \$ 200,000 |
| State Funds Pending | | | | |
| | | | | |
| Non-State Funds Already Committed | | | | |
| | | | | |
| Non-State Funds Pending | | | | |
| | | | | |
| TOTAL | \$ 151,080 | \$ 200,000 | \$ 200,000 | \$ 200,000 |

TOTAL PROJECT COSTS

| Cost Category | Six Prior Years | FY 2026 | FY 2028 | FY 2030 |
|-------------------------|-------------------|-------------------|-------------------|-------------------|
| Property Acquisition | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Predesign Fees | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Design Fees | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Project Management | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Construction | \$ 151,080 | \$ 200,000 | \$ 200,000 | \$ 200,000 |
| Relocation Expenses | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| One Percent for Art | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Occupancy Costs | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Inflationary Adjustment | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| TOTAL | \$ 151,080 | \$ 200,000 | \$ 200,000 | \$ 200,000 |

IMPACT ON STATE OPERATING COSTS

| Cost Category | FY 2026 | FY 2028 | FY 2030 |
|-------------------------------|---------|---------|---------|
| IT Costs | \$ 0 | \$ 0 | \$ 0 |
| Operating Budget Impact (\$) | \$ 0 | \$ 0 | \$ 0 |
| Operating Budget Impact (FTE) | 0 | 0 | 0 |

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

| | Amount | Percent of Total |
|----------------|------------|------------------|
| General Fund | \$ 200,000 | 100 % |
| User Financing | \$ 0 | 0 % |

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

| | |
|--|-----|
| Has the project owner requesting state funds reviewed and agree to meet the applicable capital requirements listed in the “Statutory Requirements” below and in the “Capital Budget Requirements” section of the MMB Capital Budget Instruction documents? | Yes |
| Is this project exempt from legislative review under M.S. 16B.335 subd. 1a? | Yes |
| Predesign Review (M.S. 16B.335 subd. 3): | |
| Does this request include funding for predesign? | N/A |
| Has the predesign been submitted to the Department of Administration? | N/A |
| Has the predesign been approved by the Department of Administration? | N/A |
| Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325? | N/A |
| Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)? | N/A |
| Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6)? | N/A |
| Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)? | Yes |
| Will the project meet public ownership requirements (M.S. 16A.695)? | Yes |
| Will a use agreement be required (M.S. 16A.695 subd. 2)? | No |
| Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)? | N/A |
| Will the matching funds requirements be met (M.S. 16A.86 subd. 4)? | No |
| Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2030? | Yes |
| M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required | Yes |
| M.S. 473.4485: Guideway Project | |
| Is this a Guideway Project? | No |
| Is the required information included in this request? | N/A |

(\$ in thousands)

Saint Paul College - Student Services and Classroom Renovation**AT A GLANCE****2026 Request Amount:** \$35,300**Priority Ranking:** 2

Project Summary: Minnesota State seeks \$35.3 million for improvements at Saint Paul College. Funds will be used to renovate, furnish and equip existing campus spaces to improve student services and classrooms. The project demolishes the obsolete 13,000 GSF College Learning Center (CLC) building.

Project Description

The Academic Excellence project reorganizes and repurposes existing spaces for programs and services to make them easy to navigate, to break down barriers to access, and to support the people engaged most in student success. The project's goals:

- Renovate and reconfigure academic program areas to modernize them for new modalities. Optimize the size and capacity of each area to deliver programs effectively and efficiently. Create flexibility for changes in pedagogical approach and program delivery.
- Refresh the learning environments for growing academic programs in Health Services to attract students and sustain them to success.
- Develop student-centered spaces for Learning Communities on building levels 2, 3, and 4 that co-locate faculty offices and support space with study spaces, peer to peer tutoring, and a community space, displacing unused, over-sized and outdated computer labs on each floor.
- Create an integrated student services and student life hub located at the heart of the main level to provide streamlined access to student services combining on-line and in-person entry points for all students.
- Repurpose the underutilized and deficient theater space into a centralized student services area, co-locating functions such as financial aid, tuition, and the registrar for natural wayfinding. This will increase access to all student supports including broadened health and counseling services. Replace the original HVAC equipment (at the end of its useful life) serving the Theater zone.
- Develop a student activities area with a variety of collaboration spaces for gathering, collaboration on projects, events, and informal programs.
- Demolish the 13,000 GSF College Learning Center (CLC) building to fulfill campus planning for green space in the "front yard" of the campus and remove its significant maintenance backlog.

This project will reduce the campus maintenance backlog by more than half with renovation of classrooms, hallways, restrooms, stairs, and the food service kitchen for life safety, accessibility, and resource efficiency.

Project Rationale

The pandemic has exacerbated inequities, exposed existing barriers, and presented new barriers for some students. Student services and supports have been re-envisioned to remove those barriers to increase the persistence, satisfaction, and success of underserved students and those with diverse needs and learning styles. College enrollment is down now but building back steadily with the right programs and new technology in place. Lessons were learned in the pandemic to deliver virtual courses which will influence future content delivery models permanently. Saint Paul College student surveys suggest that a flexible approach that offers choices for virtual and on-site learning will allow students and teachers to judge the best delivery method for the content and for individualized success. The development of the Learning Communities fosters collaboration and a cross-program approach to teaching and learning. The integration of technology includes updating classrooms, labs, and learning spaces with tools to facilitate learning, including the technology needed to support HyFlex classes. HyFlex classes allow students to choose whether to attend classes face-to-face or online, synchronously or asynchronously. With synchronous HyFlex, in-person and remote students will be able to interact with their classmates and instructor.

Early indications suggest that the pandemic may also amplify interests in careers and programs that were trending before the pandemic, such as health-related and service fields, cyber-security, and IT. These are already strong offerings at Saint Paul College and are expected to cultivate the re-growth of student enrollment especially delivered with on-site and new hybrid models. As demographics shift away from traditional high school graduates and the Minnesota Department of Employment and Economic Development develops its projections for future worker needs, flexible academic program space for a variety of pedagogical approaches will accommodate new training requirements.

Project Timeline

- Design completion (100% CD's: Dec 2026
- Bidding - CM@R delivery: July 2026
- Construction: March 2027 through May 2029
- Final Completion June 2029

Other Considerations

Saint Paul College continues to address deferred maintenance through operating funds to address fire code issues, ceiling, lighting, flooring replacement and other finish and technology enhancements. This has allowed the college to reduce the scope of the project compared to prior proposals. The service life of the mechanical units serving the Theater area is almost expended and replacement is included in this project. This capital request targets those areas that are more complex and challenging renovations which are beyond the college's ability to fund entirely from operating allocation.

Impact on Agency Operating Budgets

Saint Paul College has planned this project in a way that will not have a negative impact on the operating budget. There is no new square footage being added; instead, there is an overall reduction in total square footage along with reduced cleaning and maintenance costs by demolition of the CLC building. Upgrades to the HVAC system and addition of LED lighting, as well as renewable energy, will

reduce operating costs for the college.

Description of Previous Appropriations

\$1.671 million appropriated in 2023 for design.

Project Contact Person

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Governor's Recommendation

The Governor does not recommend capital funding for this request.

(\$ in thousands)

Saint Paul College - Student Services and Classroom Renovation

PROJECT FUNDING SOURCES

| Funding Source | Six Prior Years | FY 2026 | FY 2028 | FY 2030 |
|---|-----------------|------------------|-------------|-------------|
| State Funds Appropriated and Requested | | | | |
| General Obligation Bonds | \$ 1,671 | \$ 35,300 | \$ 0 | \$ 0 |
| State Funds Pending | | | | |
| | | | | |
| Non-State Funds Already Committed | | | | |
| | | | | |
| Non-State Funds Pending | | | | |
| | | | | |
| TOTAL | \$ 1,671 | \$ 35,300 | \$ 0 | \$ 0 |

TOTAL PROJECT COSTS

| Cost Category | Six Prior Years | FY 2026 | FY 2028 | FY 2030 |
|-------------------------|-----------------|------------------|-------------|-------------|
| Property Acquisition | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Predesign Fees | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Design Fees | \$ 1,438 | \$ 801 | \$ 0 | \$ 0 |
| Project Management | \$ 162 | \$ 259 | \$ 0 | \$ 0 |
| Construction | \$ 71 | \$ 27,850 | \$ 0 | \$ 0 |
| Relocation Expenses | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| One Percent for Art | \$ 0 | \$ 188 | \$ 0 | \$ 0 |
| Occupancy Costs | \$ 0 | \$ 1,600 | \$ 0 | \$ 0 |
| Inflationary Adjustment | \$ 0 | \$ 4,602 | \$ 0 | \$ 0 |
| TOTAL | \$ 1,671 | \$ 35,300 | \$ 0 | \$ 0 |

IMPACT ON STATE OPERATING COSTS

| Cost Category | FY 2026 | FY 2028 | FY 2030 |
|-------------------------------|---------|---------|---------|
| IT Costs | \$ 0 | \$ 0 | \$ 0 |
| Operating Budget Impact (\$) | \$ 0 | \$ 0 | \$ 0 |
| Operating Budget Impact (FTE) | 0 | 0 | 0 |

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

| | Amount | Percent of Total |
|----------------|-----------|------------------|
| General Fund | \$ 23,533 | 67 % |
| User Financing | \$ 11,767 | 33 % |

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

| | |
|--|-----|
| Has the project owner requesting state funds reviewed and agree to meet the applicable capital requirements listed in the “Statutory Requirements” below and in the “Capital Budget Requirements” section of the MMB Capital Budget Instruction documents? | Yes |
| Is this project exempt from legislative review under M.S. 16B.335 subd. 1a? | No |
| Predesign Review (M.S. 16B.335 subd. 3): | |
| Does this request include funding for predesign? | No |
| Has the predesign been submitted to the Department of Administration? | Yes |
| Has the predesign been approved by the Department of Administration? | Yes |
| Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325? | Yes |
| Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)? | Yes |
| Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6)? | Yes |
| Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)? | Yes |
| Will the project meet public ownership requirements (M.S. 16A.695)? | Yes |
| Will a use agreement be required (M.S. 16A.695 subd. 2)? | No |
| Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)? | Yes |
| Will the matching funds requirements be met (M.S. 16A.86 subd. 4)? | No |
| Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2030? | Yes |
| M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required | Yes |
| M.S. 473.4485: Guideway Project | |
| Is this a Guideway Project? | No |
| Is the required information included in this request? | N/A |

Minnesota State University, Mankato - Armstrong Hall Replacement**AT A GLANCE****2026 Request Amount:** \$96,900**Priority Ranking:** 3

Project Summary: Minnesota State seeks \$96.9 million for improvements at Minnesota State University Mankato. Funds will be used to demolish and replace Armstrong Hall— the most heavily used and worn-out classroom building on campus. Funds will also be used to renovate, furnish and equip existing space in other campus buildings to accommodate programs being relocated from the existing Armstrong Hall. Demolition of Armstrong Hall removes over \$40M of deferred maintenance.

Project Description

The Armstrong Hall Replacement project is a phased design, construction, renovation, and future demolition project that results in a net reduction of campus space of 26,000 GSF. This 2026 request includes construction of approximately 113,000 GSF of new academic building and a small investment to stabilize the rapid deterioration of the existing Armstrong Hall and stage it for future demolition. The planning goal will include the renovation of existing campus space to completely vacate Armstrong Hall for demolition/site restoration. The demolition of Armstrong Hall (144,000 GSF) will result in removing over \$40.8M of backlogged deferred maintenance.

The program includes a reduction in the general classroom inventory and private office spaces by over 30% each. The classroom reduction is achieved by implementation of new scheduling principles, right sizing of classrooms, and repurposing existing space. The office space reduction will be accomplished by utilizing shared office spaces and hoteling concepts. The classroom program is based on weekly classroom use of 32 weekly room hours. The number and sizes of the new classrooms will support the campus goals for increasing average class size and seat utilization.

Armstrong Hall is home to two of the six campus colleges: the College of Humanities and Social Sciences and the College of Education. All campus colleges, even those not housed in Armstrong Hall, utilize the general classrooms in the building. The building is home to 19 departments and centers that provide 94 degree and certificate programs as well as much of the general education requirements for all degree programs. Several of these programs contribute graduates for occupations on the list of high demand as defined by DEED, such as teachers, K12 special education, leadership, and counseling.

Project Rationale

Armstrong Hall, built in 1964, is 144,000 GSF and houses 48 of the 100 general classrooms and 19

academic departments and centers from two colleges. Armstrong Hall is known as the “workhorse” of the campus and nearly every student attends at least one class in Armstrong Hall on their path to graduation.

The building currently has an FCI of 0.49 and a deferred maintenance backlog of \$34M. The campus has invested a significant amount of repair and asset preservation dollars to extend the life of existing systems. The size, scope, and cost to perform wholesale replacement has limited our ability to renew the facility. The result is 60-year-old building infrastructure that is quickly approaching end of life that will require extensive renovation and renewal work to remain code compliant and provide a healthy and productive teaching and learning environment.

In acknowledgement of the University’s need for this building, the campus has performed three prior predesigns which explored different approaches to deal with the outdated and worn-out facilities. In 2016, the University evaluated the concept of constructing a building addition and renovation of the existing building. This approach added too much square footage, cost too much and presented some difficult logistics to overcome. In 2018, the campus completed a second predesign to evaluate the concept of renovating the existing building only. This cost of the renovation project was estimated at \$43,000,000 (total project cost) to address all deferred maintenance and make the building code compliant. The renewed Armstrong Hall would not adequately serve modern pedagogy. The existing building has narrow column spacing, lack of windows, and low floor to ceiling height making it a poor foundation for creating right sized, flexible learning spaces. When considering the investment and possible outcomes along with the complicated logistics of renovating such a high demand building, we have concluded the building is not worth the cost to renovate and would not serve today’s classroom pedagogy even if completely renewed. In 2020, a third predesign evaluated a comprehensive solution for Armstrong Hall which included a new, smaller building, and several renovation projects focused on existing underutilized space. The new building has a compact, efficient footprint that de-emphasizes the private office and opts for a more open workspace layout, provides new student spaces currently lacking in the existing Armstrong Hall and right sizes classrooms. These strategies, paired with better classroom utilization reduces the overall campus GSF.

The 2026 Predesign builds on the solution established in the 2020 Predesign and funded for design in 2023. While significant changes have occurred in educational delivery since 2020, The forward-thinking work that went into the 2020 predesign which provided for reduced office space, flexible, technology rich teaching spaces, and multi-purpose, flexible public spaces has allowed the proposed project to continue to fit the way the University works and learns today and into the future. While enrollment across other institutions has been in decline since 2020, Minnesota State Mankato’s enrollment has remained steady and does not affect the proposed solution.

Project Timeline

Design Completion:

- New Building: September 2026
- Renovation: February 2027

- Demolition/Site Restoration: January 2027

Construction:

- New Building: November 2026 - May 2028
- Renovation: May 2027 - November 2027
- Demolition/Site Restoration: September 2028 - September 2029

Other Considerations

There are several major deferred backlog items in Armstrong Hall, which need to be addressed to continue to provide a safe working and learning environment.

- The HVAC system has interior lined insulated ductwork. The ductwork has been cleaned and coated with an encapsulating material several times; however, the insulation is deteriorating beneath the coating and continues to break loose. The duct may be beyond repair and could result in exposure to air quality complaints.
- The exterior stone window lintels are deteriorating and have resulted in cracked and spalling stone falling to the ground.
- The building is code deficient in both ADA compliant restrooms and total number of restroom fixtures.
- Substantial roof patching was completed in 2019 to alleviate significant roof leaks in a roofing system that has reached end of life.
- Galvanized waste lines are corroded and rusting from the inside out with failures resulting in raw sewage backing up into the lower level. These lines are in need of immediate replacement.

Armstrong Hall as a functional, well maintained classroom building has reached its end of life and action needs to be taken to replace it or invest millions of dollars to repair and renew it before undesired emergency repairs and significant reactive expenditures become necessary.

Impact on Agency Operating Budgets

The budget for ongoing building maintenance and operations will be positively impacted by this project. Once the new building construction and renovation work is completed, the annual repair costs will drop significantly due to Armstrong's current need of constant repair, this will allow the budget to refocus efforts on proactive maintenance of our other campus buildings.

With the combined effect of improved building efficiencies and addition of renewable energy, we expect the utility costs to drop by 70% or more (from approximately \$200k to 60k).

Staffing requirements are expected to remain constant despite the reduction in square footage. Between the buildout in Clinical Sciences Building and the added activities and complexity of care in Memorial Library, the campus does not expect to reduce or add staff because of this project. Existing custodial maintenance and repair staff will be assigned to new areas in the new building, Clinical

Sciences basement and re-distributed zones in Memorial Library.

Description of Previous Appropriations

\$8,460,000 appropriated in 2023 bonding bill for design and minor remodeling.

Project Contact Person

Brian Swanson
Associate Vice Chancellor - Facilities
651-395-7242
brian.swanson@minnstate.edu

Governor's Recommendation

The Governor does not recommend capital funding for this request.

(\$ in thousands)

Minnesota State University, Mankato - Armstrong Hall Replacement

PROJECT FUNDING SOURCES

| Funding Source | Six Prior Years | FY 2026 | FY 2028 | FY 2030 |
|---|-----------------|------------------|-------------|-------------|
| State Funds Appropriated and Requested | | | | |
| General Obligation Bonds | \$ 8,460 | \$ 96,900 | \$ 0 | \$ 0 |
| State Funds Pending | | | | |
| | | | | |
| Non-State Funds Already Committed | | | | |
| | | | | |
| Non-State Funds Pending | | | | |
| | | | | |
| TOTAL | \$ 8,460 | \$ 96,900 | \$ 0 | \$ 0 |

TOTAL PROJECT COSTS

| Cost Category | Six Prior Years | FY 2026 | FY 2028 | FY 2030 |
|-------------------------|-----------------|------------------|-------------|-------------|
| Property Acquisition | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Predesign Fees | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Design Fees | \$ 3,626 | \$ 3,611 | \$ 0 | \$ 0 |
| Project Management | \$ 755 | \$ 1,630 | \$ 0 | \$ 0 |
| Construction | \$ 3,679 | \$ 70,980 | \$ 0 | \$ 0 |
| Relocation Expenses | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| One Percent for Art | \$ 32 | \$ 625 | \$ 0 | \$ 0 |
| Occupancy Costs | \$ 368 | \$ 6,689 | \$ 0 | \$ 0 |
| Inflationary Adjustment | \$ 0 | \$ 13,365 | \$ 0 | \$ 0 |
| TOTAL | \$ 8,460 | \$ 96,900 | \$ 0 | \$ 0 |

IMPACT ON STATE OPERATING COSTS

| Cost Category | FY 2026 | FY 2028 | FY 2030 |
|-------------------------------|---------|---------|---------|
| IT Costs | \$ 0 | \$ 0 | \$ 0 |
| Operating Budget Impact (\$) | \$ 0 | \$ 0 | \$ 0 |
| Operating Budget Impact (FTE) | 0 | 0 | 0 |

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

| | Amount | Percent of Total |
|----------------|-----------|------------------|
| General Fund | \$ 64,600 | 67 % |
| User Financing | \$ 32,300 | 33 % |

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

| | |
|--|-----|
| Has the project owner requesting state funds reviewed and agree to meet the applicable capital requirements listed in the “Statutory Requirements” below and in the “Capital Budget Requirements” section of the MMB Capital Budget Instruction documents? | Yes |
| Is this project exempt from legislative review under M.S. 16B.335 subd. 1a? | No |
| Predesign Review (M.S. 16B.335 subd. 3): | |
| Does this request include funding for predesign? | Yes |
| Has the predesign been submitted to the Department of Administration? | Yes |
| Has the predesign been approved by the Department of Administration? | Yes |
| Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325? | Yes |
| Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)? | Yes |
| Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6)? | Yes |
| Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)? | Yes |
| Will the project meet public ownership requirements (M.S. 16A.695)? | Yes |
| Will a use agreement be required (M.S. 16A.695 subd. 2)? | No |
| Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)? | Yes |
| Will the matching funds requirements be met (M.S. 16A.86 subd. 4)? | No |
| Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2030? | Yes |
| M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required | Yes |
| M.S. 473.4485: Guideway Project | |
| Is this a Guideway Project? | No |
| Is the required information included in this request? | N/A |

(\$ in thousands)

Winona State University - Center for Interdisciplinary Collaboration, Engagement, and Learning**AT A GLANCE****2026 Request Amount:** \$78,900**Priority Ranking:** 4

Project Summary: Minnesota State seeks \$78.9 million for improvements at Winona State University. Funds will be used to construct and equip a new academic building to demolish two obsolete buildings. The new building will house programs in the fields of Art & Design, Computer Science, and Mathematics & Statistics and provides new learning spaces, lab and studio spaces, student support spaces, and faculty workspaces that encourage innovation, creativity, collaboration, and experimentation.

Project Description

The new Center for Interdisciplinary Collaboration, Engagement, and Learning (CICEL) project will demolish and replace the obsolete Gildemeister and Watkins Hall and will co-locate programs in the fields of Art & Design, Computer Science, and Mathematics & Statistics in a collaborative, sustainable, and healthy environment.

The building's learning spaces will support a wide variety of learning styles and include active-learning classrooms, high-touch art/design and maker/fabrication studios, and high-tech and augmented reality labs. Each department will have a "home" that includes faculty and student collaboration space and faculty workspace. The building will also have shared common spaces for casual and group study, collaboration with local community and regional business partners, student and faculty research, and other campus and community events. Computer Science's IT infrastructure will provide connectivity and support to our Rochester campus.

By consolidating the building program into a single structure, the campus gains a new green space that bridges the academic core and residential zones of the campus. The project will establish a more inviting entry point leading to the academic core of the campus and this new green space.

This project will forward WSU's commitment to sustainability, resilience, and well-being. The design will promote health and well-being through daylighting, high-quality ventilation, elimination of harmful products and materials, and a focus on user comfort and satisfaction. The building will seek the International Living Future Institute's Living Building Challenge Zero Energy Certification and Core Green Building Certification. Additionally, construction materials and details will facilitate adaptability and change to ensure future usefulness and relevance.

Project Rationale

WSU's strategic plan, Winona 2035, advances three thematic pillars: The Warrior Way, The Warrior Edge, and The Warrior Shield that guide strategic decision-making, convey strategic priorities, and closely align with the Board of Trustees capital budget guidelines.

Preserve and maintain existing highly utilized academic and student support spaces - Gildemeister Hall and Watkins Hall are obsolete and cannot be reconfigured to create suitable spaces for modern learning needs. 95% of the building systems are in backlog or due for renewal. The interior layouts, fixtures, and finishes reflect pedagogy of the 1960's and no longer support the needs of our students and faculty. The new building will remove over \$13 million in deferred maintenance and reduce building operating costs by 40%. Having spaces designed for current needs, and be adaptable for future needs, will increase building utilization for both scheduled and unscheduled learning activities.

Facilitate fulfilling the vision of Equity 2030 - This project will leverage the most recent knowledge of equitable design create learning, work, and social spaces designed for equity and access. Users from all backgrounds, cultures, and abilities will feel comfortable and welcome.

Improve energy and operating efficiencies to reduce operating expenses - Winona State University's 2022 Comprehensive Facility Plan has set a goal of carbon neutrality by 2050. Our recent on-campus installation of 1.0 MW of Solar PV and this CICEL project are key steps to reaching this goal. In addition to producing renewable energy and being net zero energy and carbon neutral, the building and site will be water balanced, low waste, and toxin free.

Create flexible classrooms and labs enabled with technology for various curriculum delivery -The project provides infrastructure necessary for a technology-enabled flexible curriculum that meets evolving industry standards and student learning needs. The modular classrooms and studios can be reconfigured for multiple teaching approaches, from traditional lectures to collaborative workshops. Spaces ranging from a painting studio to an AR/VR lab empower students to explore diverse media and techniques in real-time, bridging the gap between conceptual learning and real-world application

Respond to workforce demand from community and industry - Partners. The project positions WSU as the partner of choice for meeting Minnesota's workforce and community needs by creating innovative learning environments tailored to high-demand industries (such as design, IT, etc.) The building provides departments opportunities to expand their collaboration in the areas of bioinformatics, data visualization, design thinking, interactive design, and sustainability and to develop new programs of study. Internships and service projects are integrated into numerous programs of study. For example, the Software Testing and Development Lab, Statistical Testing Center, and Design Services hire students to work on business projects contracted by local and regional companies.

Enhance accessibility, environmental, health and safety compliance - Through pursuing the Zero Energy Building and a Core Green Building certifications the project will meet or exceed all current codes and standards.

Project Timeline

- Designer selection: 01/2024
- Design completion (100% CDs):12/2026
- Bidding: 01/2027 to 03/2027
- Start of construction: 05/2027
- Midpoint of construction: 05/2028
- Substantial completion:05/2029
- Occupancy date(s): 04/2029 to 07/2029

Other Considerations

Both Gildemeister and Watkins Halls are in critically poor condition with FCI ratings of 0.32 and 0.41, respectively. As the three departments serve such a significant percentage of WSU's students, the poor condition of these outdated facilities has impacted WSU's ability to recruit and enroll students and recruit and retain faculty and staff. Gildemeister and Watkins Halls do not meet the needs and expectations of today's and tomorrow's students, nor do they compete with facilities at peer institutions. Additionally, the constraints of the existing buildings limit development of new course offerings and growth of the departments. The physical condition of the buildings limits the type of courses that can safely be offered; this is particularly true in Art & Design and Computer Science where the equipment and materials used for instruction require specific infrastructure and environmental conditions.

Impact on Agency Operating Budgets

The predesign process diligently compared options for renovating the existing buildings, partial replacement, and renovation of an existing building, and constructing a new building. This analysis revealed that while the new building is marginally more expensive to build, it would greatly improve the quality and adaptability of space, be more capable of meeting WSU's sustainability goals, and reduce operating and maintenance costs. The additional initial investment in new construction will:

- Reduce operating costs by 40%
- Reduce maintenance backlog by \$13 million
- Provide 50-year life cycle cost savings of more than \$28 million

Description of Previous Appropriations

\$4.866 million appropriated in 2023 for design.

Project Contact Person

Brian Swanson
Associate Vice Chancellor - Facilities
651-395-7242
brian.swanson@minnstate.edu

Governor's Recommendation

The Governor does not recommend capital funding for this request.

(\$ in thousands)

Winona State University - Center for Interdisciplinary Collaboration, Engagement, and Learning

PROJECT FUNDING SOURCES

| Funding Source | Six Prior Years | FY 2026 | FY 2028 | FY 2030 |
|---|-----------------|------------------|-------------|-------------|
| State Funds Appropriated and Requested | | | | |
| General Obligation Bonds | \$ 4,866 | \$ 78,900 | \$ 0 | \$ 0 |
| State Funds Pending | | | | |
| | | | | |
| Non-State Funds Already Committed | | | | |
| | | | | |
| Non-State Funds Pending | | | | |
| | | | | |
| TOTAL | \$ 4,866 | \$ 78,900 | \$ 0 | \$ 0 |

TOTAL PROJECT COSTS

| Cost Category | Six Prior Years | FY 2026 | FY 2028 | FY 2030 |
|-------------------------|-----------------|------------------|-------------|-------------|
| Property Acquisition | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Predesign Fees | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Design Fees | \$ 4,700 | \$ 1,650 | \$ 0 | \$ 0 |
| Project Management | \$ 166 | \$ 2,140 | \$ 0 | \$ 0 |
| Construction | \$ 0 | \$ 63,330 | \$ 0 | \$ 0 |
| Relocation Expenses | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| One Percent for Art | \$ 0 | \$ 530 | \$ 0 | \$ 0 |
| Occupancy Costs | \$ 0 | \$ 3,605 | \$ 0 | \$ 0 |
| Inflationary Adjustment | \$ 0 | \$ 7,645 | \$ 0 | \$ 0 |
| TOTAL | \$ 4,866 | \$ 78,900 | \$ 0 | \$ 0 |

IMPACT ON STATE OPERATING COSTS

| Cost Category | FY 2026 | FY 2028 | FY 2030 |
|-------------------------------|---------|---------|---------|
| IT Costs | \$ 0 | \$ 0 | \$ 0 |
| Operating Budget Impact (\$) | \$ 0 | \$ 0 | \$ 0 |
| Operating Budget Impact (FTE) | 0 | 0 | 0 |

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

| | Amount | Percent of Total |
|----------------|-----------|------------------|
| General Fund | \$ 52,600 | 67 % |
| User Financing | \$ 26,300 | 33 % |

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

| | |
|--|-----|
| Has the project owner requesting state funds reviewed and agree to meet the applicable capital requirements listed in the “Statutory Requirements” below and in the “Capital Budget Requirements” section of the MMB Capital Budget Instruction documents? | Yes |
| Is this project exempt from legislative review under M.S. 16B.335 subd. 1a? | No |
| Predesign Review (M.S. 16B.335 subd. 3): | |
| Does this request include funding for predesign? | No |
| Has the predesign been submitted to the Department of Administration? | Yes |
| Has the predesign been approved by the Department of Administration? | Yes |
| Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325? | Yes |
| Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)? | Yes |
| Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6)? | Yes |
| Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)? | Yes |
| Will the project meet public ownership requirements (M.S. 16A.695)? | Yes |
| Will a use agreement be required (M.S. 16A.695 subd. 2)? | No |
| Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)? | Yes |
| Will the matching funds requirements be met (M.S. 16A.86 subd. 4)? | No |
| Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2030? | Yes |
| M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required | Yes |
| M.S. 473.4485: Guideway Project | |
| Is this a Guideway Project? | No |
| Is the required information included in this request? | N/A |

Rochester Community and Technical College - Heintz Center Renovation**AT A GLANCE****2026 Request Amount:** \$14,400**Priority Ranking:** 5

Project Summary: Minnesota State seeks \$14.4 million for improvements at Rochester Community and Technical College. Funds will be used to renovate, furnish and equip portions of the existing Heintz Center for high-demand Career and Technical Education (CTE) programs in Facility and Service Technology (FAST), Law Enforcement, CAD, and Welding Technology.

Project Description

The Heintz Center project at Rochester Community and Technical College (RCTC) will significantly renovate interior spaces to create welcoming and inclusive spaces to foster and increase diversity and enrollment in the college's high-demand Career and Technical Education (CTE) programs, better reflecting the City of Rochester's diversity.

Improvements will affect these programs: Facility and Service Technology (FAST), Law Enforcement, CAD, and Welding Technology, with inclusive support spaces.

Modernization will update A/V and IT technology (such as projection systems and wall-mounted monitors) for classrooms and labs; increase flexibility and adaptability to accommodate both active and traditional learning; and provide effective, more acoustically supportive environments.

Further, improvements will increase visibility into and out of renovated spaces and make wayfinding more intuitive via open corridors with windows into labs. Daylight-infused spaces with overhead light monitors will support student and faculty well-being.

The project will "pull back the curtain" to put learning on display, de-mystify the work taking place in labs, and allow for passersby and prospective students to learn more about these programs without interrupting classes. By giving all students time to discover the technical programs at their own pace by situating formal learning spaces (labs) with informal learning (collaboration spaces), the project improvements will pique curiosity and create a more welcoming environment.

The project will make extensive use of existing equipment, mechanical systems, and existing spaces. Moving Law Enforcement will free up space for Facility and Service Technology (FAST) labs to improve adjacencies and right-size for better learning experiences. Existing mechanical systems will be used with new ducting, where required, to all the spaces in the project.

Project Rationale

Students matriculating in RCTC trade programs do not demographically reflect the community at large. Black, Indigenous, and people of color (BIPOC) and immigrant students are under-represented in the trade programs, and the current physical environment creates challenges in attempting to attract a broad student population. There are no targeted services dedicated to student success and tutoring in the Heintz Center building. Furthermore, lab spaces are visually isolated from corridors, limiting prospective students' ability to informally observe and understand what these programs entail.

Over the years, the programs have not been able to maintain critical adjacencies nor maintain direct access to the exterior to receive/send materials essential to executing their work. In some cases, department spaces are spread throughout the building, affecting efficiency and a sense of departmental identity and continuity. Unassigned space is available in the building, presenting an opportunity for stronger adjacencies.

Wayfinding is challenging. Long corridors and windowless spaces result in compartmentalization and an undifferentiated physical environment which is disorienting and dehumanizing. First-time visitors might feel lost or unsure of where they are going. Aside from the Commons, there are few significant landmarks for students to get a sense of direction.

Most lab spaces are behind solid walls and doors in the current facility. This closed-off and highly compartmentalized environment can feel unwelcoming. When the only way to observe the work being completed is to enter the space, the chance to show prospective students, visitors, or those wishing to satisfy their curiosity is lost.

Students and faculty have been working in dated spaces that lack modern amenities, including technology, and that are too small for the class sizes. Students' needs are compromised by the dated facilities that limit progressive methodologies, like active learning, that leverage technology. There is no space to increase room size without a reconfiguration of the building plan.

Quite often, students and faculty do not have access to daylight in the deep spaces in the building due to a large building footprint. Aside from exterior walls with windows, the skylights in the Commons and one adjacent corridor are the only sources of daylight deep into the floor plate. This one-story building has potential for letting light into the deep recesses from above via light monitors.

Project Timeline

Other Considerations

Without this project, formal learning spaces such as labs and classrooms will continue to operate with outdated technology and increasingly fare poorly with competing community programs, including some high schools that have modern facilities.

The quality of learning will remain hindered by poor acoustics, crowded spaces, worn finishes, inadequate lighting and outmoded equipment. Some labs and classrooms will remain in windowless rooms deep within the building while other areas of the building that have windows will sit empty

and unused.

The college will experience ongoing challenges trying to improve their reach to under-represented groups such as BIPOC, throwing the college's programs into stark contrast with the city's diversity overall.

Impact on Agency Operating Budgets

Replacement of existing lighting fixtures and HVAC systems will result in energy and operational savings for the college.

Description of Previous Appropriations

\$1.347 million appropriated in 2023 for design via General Fund Cash.

Project Contact Person

Brian Swanson
Associate Vice Chancellor - Facilities
651-395-7242
brian.swanson@minnstate.edu

Governor's Recommendation

The Governor does not recommend capital funding for this request.

(\$ in thousands)

Rochester Community and Technical College - Heintz Center Renovation

PROJECT FUNDING SOURCES

| Funding Source | Six Prior Years | FY 2026 | FY 2028 | FY 2030 |
|---|-----------------|------------------|-------------|-------------|
| State Funds Appropriated and Requested | | | | |
| General Obligation Bonds | \$ 0 | \$ 14,400 | \$ 0 | \$ 0 |
| General Fund Cash | \$ 1,347 | \$ 0 | \$ 0 | \$ 0 |
| State Funds Pending | | | | |
| | | | | |
| Non-State Funds Already Committed | | | | |
| | | | | |
| Non-State Funds Pending | | | | |
| | | | | |
| TOTAL | \$ 1,347 | \$ 14,400 | \$ 0 | \$ 0 |

TOTAL PROJECT COSTS

| Cost Category | Six Prior Years | FY 2026 | FY 2028 | FY 2030 |
|-------------------------|-----------------|------------------|-------------|-------------|
| Property Acquisition | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Predesign Fees | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Design Fees | \$ 1,347 | \$ 410 | \$ 0 | \$ 0 |
| Project Management | \$ 0 | \$ 325 | \$ 0 | \$ 0 |
| Construction | \$ 0 | \$ 10,985 | \$ 0 | \$ 0 |
| Relocation Expenses | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| One Percent for Art | \$ 0 | \$ 70 | \$ 0 | \$ 0 |
| Occupancy Costs | \$ 0 | \$ 1,000 | \$ 0 | \$ 0 |
| Inflationary Adjustment | \$ 0 | \$ 1,610 | \$ 0 | \$ 0 |
| TOTAL | \$ 1,347 | \$ 14,400 | \$ 0 | \$ 0 |

IMPACT ON STATE OPERATING COSTS

| Cost Category | FY 2026 | FY 2028 | FY 2030 |
|-------------------------------|---------|---------|---------|
| IT Costs | \$ 0 | \$ 0 | \$ 0 |
| Operating Budget Impact (\$) | \$ 0 | \$ 0 | \$ 0 |
| Operating Budget Impact (FTE) | 0 | 0 | 0 |

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

| | Amount | Percent of Total |
|--------------|----------|------------------|
| General Fund | \$ 9,600 | 67 % |

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

| | Amount | Percent of Total |
|----------------|----------|------------------|
| User Financing | \$ 4,800 | 33 % |

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

| | |
|--|-----|
| Has the project owner requesting state funds reviewed and agree to meet the applicable capital requirements listed in the "Statutory Requirements" below and in the "Capital Budget Requirements" section of the MMB Capital Budget Instruction documents? | Yes |
| Is this project exempt from legislative review under M.S. 16B.335 subd. 1a? | No |
| Predesign Review (M.S. 16B.335 subd. 3): | |
| Does this request include funding for predesign? | No |
| Has the predesign been submitted to the Department of Administration? | Yes |
| Has the predesign been approved by the Department of Administration? | Yes |
| Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325? | Yes |
| Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)? | Yes |
| Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6)? | Yes |
| Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)? | Yes |
| Will the project meet public ownership requirements (M.S. 16A.695)? | Yes |
| Will a use agreement be required (M.S. 16A.695 subd. 2)? | No |
| Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)? | Yes |
| Will the matching funds requirements be met (M.S. 16A.86 subd. 4)? | No |
| Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2030? | Yes |
| M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required | Yes |
| M.S. 473.4485: Guideway Project | |
| Is this a Guideway Project? | No |
| Is the required information included in this request? | N/A |

Systemwide - Demolition

AT A GLANCE**2026 Request Amount:** \$25,000**Priority Ranking:** 6

Project Summary: Minnesota State seeks \$25 million from the general fund to demolish obsolete buildings across its system of 54 campuses. Funds will be used to demolish existing buildings and infrastructure, and to restore the vacant site to a usable state. The demolition of obsolete buildings reduces ongoing operations and maintenance costs, reduces future capital renewal costs, and reduces safety risks inherent in empty or underutilized buildings.

Project Description

Minnesota State seeks to implement a strategic demolition program to remove obsolete, underutilized, and high-cost buildings and infrastructure across its campuses. The requested \$25 million in state funding will be used to demolish approximately 10 buildings totaling 500,000 square feet and to restore the resulting vacant sites to a safe, usable, and maintainable condition.

This initiative is a critical step in aligning Minnesota State's physical footprint with current and projected enrollment levels, academic programming, and long-term operational sustainability. It is also a proactive investment in campus modernization, safety, and financial stewardship.

Project Rationale

Minnesota State is currently overbuilt for its present and foreseeable future needs. Decades of enrollment shifts, evolving program delivery models, and deferred maintenance have left the system with a surplus of aging infrastructure that no longer serves students, faculty, or the communities we support. A multi-year demolition program is essential to right-size the system's physical plant and redirect limited resources toward high-value, high-use facilities.

The system has identified approximately 1.3 million square feet of obsolete space that could be removed if adequate funding is made available. These buildings are often vacant, functionally obsolete, or prohibitively expensive to renovate. Many do not meet modern accessibility, energy efficiency, or safety standards.

Maintaining decommissioned buildings imposes a growing financial burden. Even unused, these structures require basic upkeep, security, and insurance, contributing to an escalating backlog of deferred maintenance.

Beyond cost, these outdated facilities negatively impact campus aesthetics, safety, and competitiveness. Prospective students and families often judge a campus by its physical condition. Vacant or deteriorating buildings send the wrong message—one of decline rather than innovation and investment. In contrast, cleared and revitalized spaces can be repurposed for green space, outdoor learning, or future development aligned with institutional priorities.

This demolition program is not just about removing buildings—it’s about removing barriers to progress. It will allow Minnesota State to:

- Reduce long-term operating and maintenance costs
- Improve campus safety and appearance
- Enhance recruitment and retention efforts
- Focus capital investments on high-impact, high-use facilities
- Support sustainability goals by eliminating energy-inefficient structures

Project Timeline

NA - project timelines vary by individual project.

Other Considerations

NA

Impact on Agency Operating Budgets

Demolition has a direct impact on campus operating budgets. Eliminating buildings reduces operations and maintenance costs and energy consumption as well as reducing deferred renewal backlog and the need for future capital investment. Actual savings and cost avoidance will vary by demolition project.

Description of Previous Appropriations

None

Project Contact Person

Brian Swanson
Associate Vice Chancellor - Facilities
651-395-7242
brian.swanson@minnstate.edu

Governor's Recommendation

The Governor does not recommend capital funding for this request.

(\$ in thousands)

Systemwide - Demolition

PROJECT FUNDING SOURCES

| Funding Source | Six Prior Years | FY 2026 | FY 2028 | FY 2030 |
|---|-----------------|------------------|-------------|-------------|
| State Funds Appropriated and Requested | | | | |
| General Fund Cash | \$ 0 | \$ 25,000 | \$ 0 | \$ 0 |
| State Funds Pending | | | | |
| | | | | |
| Non-State Funds Already Committed | | | | |
| | | | | |
| Non-State Funds Pending | | | | |
| | | | | |
| TOTAL | \$ 0 | \$ 25,000 | \$ 0 | \$ 0 |

TOTAL PROJECT COSTS

| Cost Category | Six Prior Years | FY 2026 | FY 2028 | FY 2030 |
|-------------------------|-----------------|------------------|-------------|-------------|
| Property Acquisition | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Predesign Fees | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Design Fees | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Project Management | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Construction | \$ 0 | \$ 25,000 | \$ 0 | \$ 0 |
| Relocation Expenses | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| One Percent for Art | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Occupancy Costs | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Inflationary Adjustment | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| TOTAL | \$ 0 | \$ 25,000 | \$ 0 | \$ 0 |

IMPACT ON STATE OPERATING COSTS

| Cost Category | FY 2026 | FY 2028 | FY 2030 |
|-------------------------------|---------|---------|---------|
| IT Costs | \$ 0 | \$ 0 | \$ 0 |
| Operating Budget Impact (\$) | \$ 0 | \$ 0 | \$ 0 |
| Operating Budget Impact (FTE) | 0 | 0 | 0 |

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

| | Amount | Percent of Total |
|----------------|--------|------------------|
| General Fund | \$ 0 | |
| User Financing | \$ 0 | |

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

| | |
|--|-----|
| Has the project owner requesting state funds reviewed and agree to meet the applicable capital requirements listed in the “Statutory Requirements” below and in the “Capital Budget Requirements” section of the MMB Capital Budget Instruction documents? | Yes |
| Is this project exempt from legislative review under M.S. 16B.335 subd. 1a? | N/A |
| Predesign Review (M.S. 16B.335 subd. 3): | |
| Does this request include funding for predesign? | No |
| Has the predesign been submitted to the Department of Administration? | N/A |
| Has the predesign been approved by the Department of Administration? | N/A |
| Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325? | N/A |
| Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)? | N/A |
| Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6)? | N/A |
| Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)? | Yes |
| Will the project meet public ownership requirements (M.S. 16A.695)? | Yes |
| Will a use agreement be required (M.S. 16A.695 subd. 2)? | N/A |
| Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)? | N/A |
| Will the matching funds requirements be met (M.S. 16A.86 subd. 4)? | No |
| Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2030? | Yes |
| M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required | Yes |
| M.S. 473.4485: Guideway Project | |
| Is this a Guideway Project? | N/A |
| Is the required information included in this request? | N/A |

Systemwide - Learning Environment Renovations and Equipment**AT A GLANCE****2026 Request Amount:** \$13,500**Priority Ranking:** 7**Project Summary:** Minnesota State seeks \$13.5 million to invest in learning environments and equipment across its system of 54 campuses. Funds will be used to remodel existing spaces to support interactive, hands on, and applied learning across a wide variety of high demand fields.**Project Description**

Minnesota State seeks to improve its teaching and learning spaces in high demand programs with opportunities to grow overall campus enrollment with the goal of providing students with state-of-the-art learning environments for career and technical education and applied research laboratories for interactive, hands-on, multi-disciplinary learning. The funds requested will be used to renovate and update facilities to create modern, collaborative learning spaces that reflect industry standards. Funds will prioritize simulation labs, workshop and garage upgrades, applied clinical learning spaces, industry certification and testing centers, and applied teaching laboratories.

Project Rationale

Minnesota State's current teaching and learning facilities—particularly those supporting career and technical education—are aging, outdated, and increasingly misaligned with the expectations of today's students and the needs of Minnesota's employers. Many of these spaces were designed decades ago and no longer reflect the technological sophistication or collaborative environments that define modern industry standards.

Our facilities are often less advanced than those found in Minnesota high schools, and they fall short when compared to peer institutions in neighboring states. This puts Minnesota State at a competitive disadvantage in attracting and retaining students, particularly in high-demand fields where hands-on, applied learning is essential.

Moreover, employers across Minnesota are seeking graduates who are trained in environments that mirror the tools, technologies, and workflows of the modern workplace. Our current infrastructure limits our ability to deliver that experience. Without investment in updated simulation labs, applied clinical spaces, and industry-aligned teaching laboratories, we risk falling behind in preparing the skilled workforce that drives Minnesota's economy.

This funding request is a strategic investment in the future of Minnesota's students, communities, and industries. It will enable us to transform obsolete facilities into dynamic, flexible, and high-tech

learning environments that support enrollment growth, workforce readiness, and economic development across the state.

Project Timeline

NA - project timelines vary by individual project.

Other Considerations

Impact on Agency Operating Budgets

No anticipated impact on operating budget.

Description of Previous Appropriations

None

Project Contact Person

Brian Swanson
Associate Vice Chancellor - Facilities
651-395-7242
brian.swanson@minnstate.edu

Governor's Recommendation

The Governor does not recommend capital funding for this request.

(\$ in thousands)

Systemwide - Learning Environment Renovations and Equipment

PROJECT FUNDING SOURCES

| Funding Source | Six Prior Years | FY 2026 | FY 2028 | FY 2030 |
|---|-----------------|------------------|-------------|-------------|
| State Funds Appropriated and Requested | | | | |
| General Obligation Bonds | \$ 0 | \$ 13,500 | \$ 0 | \$ 0 |
| State Funds Pending | | | | |
| | | | | |
| Non-State Funds Already Committed | | | | |
| | | | | |
| Non-State Funds Pending | | | | |
| | | | | |
| TOTAL | \$ 0 | \$ 13,500 | \$ 0 | \$ 0 |

TOTAL PROJECT COSTS

| Cost Category | Six Prior Years | FY 2026 | FY 2028 | FY 2030 |
|-------------------------|-----------------|------------------|-------------|-------------|
| Property Acquisition | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Predesign Fees | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Design Fees | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Project Management | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Construction | \$ 0 | \$ 13,500 | \$ 0 | \$ 0 |
| Relocation Expenses | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| One Percent for Art | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Occupancy Costs | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| Inflationary Adjustment | \$ 0 | \$ 0 | \$ 0 | \$ 0 |
| TOTAL | \$ 0 | \$ 13,500 | \$ 0 | \$ 0 |

IMPACT ON STATE OPERATING COSTS

| Cost Category | FY 2026 | FY 2028 | FY 2030 |
|-------------------------------|---------|---------|---------|
| IT Costs | \$ 0 | \$ 0 | \$ 0 |
| Operating Budget Impact (\$) | \$ 0 | \$ 0 | \$ 0 |
| Operating Budget Impact (FTE) | 0 | 0 | 0 |

SOURCE OF FUNDS FOR DEBT SERVICE PAYMENTS

| | Amount | Percent of Total |
|----------------|----------|------------------|
| General Fund | \$ 9,000 | 67 % |
| User Financing | \$ 4,500 | 33 % |

STATUTORY REQUIREMENTS

The following requirements will apply to projects after adoption of the bonding bill.

| | |
|--|-----|
| Has the project owner requesting state funds reviewed and agree to meet the applicable capital requirements listed in the “Statutory Requirements” below and in the “Capital Budget Requirements” section of the MMB Capital Budget Instruction documents? | |
| Is this project exempt from legislative review under M.S. 16B.335 subd. 1a? | |
| Predesign Review (M.S. 16B.335 subd. 3): | |
| Does this request include funding for predesign? | No |
| Has the predesign been submitted to the Department of Administration? | No |
| Has the predesign been approved by the Department of Administration? | No |
| Will the project design meet the Sustainable Building Guidelines under M.S. 16B.325? | N/A |
| Will the project designs meet applicable requirements and guidelines for energy conservation and alternative energy sources (M.S. 16B.335 subd. 4 and 16B.32)? | N/A |
| Have Information Technology Review Preconditions been met (M.S. 16B.335 subd. 5 & 6)? | N/A |
| Will the project comply with the targeted group purchasing requirement (M.S. 16C.16 subd. 13)? | Yes |
| Will the project meet public ownership requirements (M.S. 16A.695)? | Yes |
| Will a use agreement be required (M.S. 16A.695 subd. 2)? | No |
| Will program funding be reviewed and ensured (M.S. 16A.695 subd. 5)? | Yes |
| Will the matching funds requirements be met (M.S. 16A.86 subd. 4)? | No |
| Will the project be fully encumbered prior to the Cancellation Deadline (M.S. 16A.642): December 31, 2030? | Yes |
| M.S. 16A.502 and M.S. 16B.31 (2): Full Funding Required | Yes |
| M.S. 473.4485: Guideway Project | |
| Is this a Guideway Project? | N/A |
| Is the required information included in this request? | N/A |